



PHILIP MORRIS

U. S. A.

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

July 1, 1996

Mr. Donald J. Hotz
President/General Manager
State Fair of Oklahoma, Inc.
P. O. Box 74943
Oklahoma City, Oklahoma 74943

State Fair of Oklahoma

Dear Mr. Hotz:

This letter constitutes the agreement (the "Agreement") between Philip Morris Incorporated ("Philip Morris") and State Fair of Oklahoma, Inc. ("Promoter"), regarding Philip Morris' sponsorship, on behalf of its **MARLBORO** brand of cigarettes, of the State Fair of Oklahoma (the "Fair") to be held at the Oklahoma Fairgrounds from September 13, 1996 through September 29, 1996, and presentation of a **MARLBORO Music Concert** (the "Concert") on September 18, 1996. The terms of the Agreement follow:

1. **Sponsorship Rights.** In consideration for Philip Morris providing talent for the Concert (the "Artists"), Promoter grants Philip Morris the following sponsorship rights:

(a) the exclusive right to conduct tobacco sales and branded incentive item distribution among smokers twenty-one years of age or older from two promotional kiosks and one 10' x 22' promotional tent, all to be provided by Philip Morris, with electrical power, at sites at the Fair to be mutually agreed upon by the parties;

(b) the right to hang and display banners and signage on and around the tent and the kiosks and at other locations at the site of the Fair to be mutually agreed upon by the parties;

(c) the right to receive two hundred complimentary Concert tickets and one hundred complimentary parking passes, which will be delivered to Philip Morris upon execution of the Agreement; and

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(d) the right to recognition in advertising placed in connection with the Concert or the Fair and the right to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris, **MARLBORO** or **MARLBORO Music**; provided, however, that such approval is effected on a timely basis.

2. Philip Morris' Obligations. Philip Morris will:

- (a) provide top name entertainment to perform at the Concert;
- (b) provide the services of a third party talent buyer to book talent directly in order to control booking, fee and payment schedule; no other talent buyer to be utilized;
- (c) provide the services of a third party production coordinator to control stage design and provide production and stage management, supervision and support to the Fair's Concert operating crew;
- (d) provide the services of a public relations agency to publicize the Concert;
- (e) use the **MARLBORO Music** logo and the title "**MARLBORO Music** State Fair Tour" in connection with the Concert;
- (f) provide local print advertising featuring the **MARLBORO Music** logo and the Fair logo for additional media support, with copy and artwork to be provided solely by Philip Morris; and
- (g) provide copy and artwork for one full page advertisement in the "Official State Fair Program" to be produced by Promoter at no charge to Philip Morris.

3. Promoter's Obligations. Promoter will:

- (a) assume complete responsibility for securing all music licensing rights and paying all required fees, i.e., ASCAP and BMI;
- (b) provide complimentary secured parking for all buses, trucks and rental cars used by the Artists and the Artists' personnel, Philip Morris personnel and other personnel associated with the Concert;
- (c) provide venue house security, and, under the direction of a third party engaged by Philip Morris to provide staffing requirements, provide backstage security;

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- (d) provide complimentary on-site storage space, vendor parking and admission passes;
- (e) provide sufficient space for an on-site hospitality area for the day of the Concert only;
- (f) utilize the **MARLBORO Music** credentials and identification for Philip Morris staff and talent to gain backstage access and parking;
- (g) utilize the title "**MARLBORO Music** State Fair Tour," when referring to the tour and use the title "**MARLBORO Music** Featuring [Artist Name]," when referring to the Concert (such use not to constitute an endorsement by Philip Morris or the Fair);
- (h) adhere to production requirements and signage lighting requirements, attached hereto as Exhibits A and B, respectively, and to performance agreements with the Artists, including riders thereto; and
- (i) obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Fair and the Concert and for the performance in Promoter's duties under the Agreement and advise Philip Morris in advance of any charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents and other documents.

4. Term.

(a) The term of the Agreement will commence upon its execution, and will continue through the later of the last date of the Fair or Promoter's complete performance of its obligations under the Agreement to the reasonable satisfaction of Philip Morris. Philip Morris has the right to renew the Agreement if the Fair is held in 1997, upon written notice delivered to Promoter on or before February 1, 1997. If Philip Morris elects to renew the Agreement, all terms and conditions of the Agreement will be applied to any renewal, with the exception of appropriate date changes. The parties will memorialize their agreement in a separate writing.

(b) If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful, impracticable or, in the judgment of Philip Morris, materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action.

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5. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarettes or other tobacco products, nor permit any signage or commercial identification of any other cigarettes or other tobacco products or tobacco product branded incentive items in connection with the Fair or the Concert, without the prior, written consent of Philip Morris.

6. Independent Contractor. Promoter is and will remain an independent contractor and nothing in the Agreement will be construed to create a relationship of principal and agent or employer and employee between Philip Morris and Promoter or any of Promoter's employees or agents within the meaning of any federal, state or local law. Except as specifically stated in the Agreement, Promoter will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' prior, written approval.

7. The MARLBORO Name. Promoter will have no right, title or interest in or to the **MARLBORO** name or the slogans, designs or logo-types associated with **MARLBORO**, or **MARLBORO Music**, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in Paragraph 1(d).

8. Confidentiality. Promoter, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing its obligations under the Agreement. Promoter will not use or disclose the existence or terms of the Agreement, the information or materials, or any other confidential information without the prior, written consent of Philip Morris. Upon the termination or expiration of the Agreement, Promoter will return all materials to Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

9. Insurance. Within thirty days after execution of the Agreement, Promoter, at its own expense, will provide to Philip Morris certificates of insurance issued by insurers acceptable to Philip Morris evidencing coverage for: (i) comprehensive general liability, including advertisers', spectators', participants', host liquor and contractual liability, with a combined single limit of no less than \$5,000,000 per occurrence for bodily injury, including personal injury, and property damage; (ii) statutory workers' compensation coverage meeting all state and local requirements, including coverage for employers' liability with limits of no less than \$500,000; and (iii) comprehensive automobile liability coverage for all owned, non-owned, and hired vehicles with bodily injury limits of no less than \$5,000,000 per person, \$5,000,000 per accident, and property damage limits of no less than \$5,000,000 per accident. The insurance certificates required by subparagraphs (i) and (iii) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' advance, written notice of a cancellation or

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modification of the insurance. The insurance required must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Promoter.

10. Indemnity.

(a) Promoter agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

(b) Philip Morris agrees to indemnify and hold harmless Promoter, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Philip Morris. Philip Morris's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

11. Third Party Contacts. If at any time Promoter is contacted by a third party, including media, other than as required by the terms of the Agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

12. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, Attention: Mr. Donald J. Hotz, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Director, Event Marketing.

13. Miscellaneous.

(a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the reasonable control of either party delaying or causing the cancellation or delay of the Fair or the Concert will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

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(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.

(f) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(g) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including the provisions of Title 15 U.S.C. §§ 1331 et seq.

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,


PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

STATE FAIR OF OKLAHOMA, INC.

By: _____
Donald J. Hotz

Title: _____

Taxpayer ID No.: _____

Filing Status: _____

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EXHIBIT A

PRODUCTION REQUIREMENTS

Following are minimum production requirements for staging the 1996 **MARLBORO** Music State Fair concerts:

- Stage: At least 40' wide x 30' deep with roof, attached sound wings, capable of supporting two 24' x 24' **MARLBORO** scrims (drapes).
- Power: The following is the minimum power requirement for lighting and sound. The source can be either share power or generator. In the event of generator supplied power, an additional 300 KUA back-up generator is required.

Lighting: One 400 AMP 30 service
Sound: One 200 AMP 30 service plus power distribution for on-stage equipment
- Lights: 120 K lighting system for the stage, with additional instruments to light **MARLBORO** scrims and flags. See Exhibit B for appropriate lamps and acceptable substitutes.
- Sound: Adequate for location with ability to fulfill completely band contract requirements.
- Labor: Experienced stage hands as are necessary for Concert, including set-up/tear-down of **MARLBORO** scrims.
- Catering: As per artist contract.
- Dressing Rooms: As per artist contract.
- Hospitality Tent: 30' x 40' with lights
Three 20 AMP services with lights
- On-site Production: Office with two phone lines.
- On Fly Dates: Backline as per artist contract.

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- Two Runners: One with a fifteen passenger vehicle
One with a vehicle
- Ground Transport: As per artist contract
- Other requirements:
 - A. Ability to strike all other corporate logos and signage at venue.
 - B. **MARLBORO** credentials will be used exclusively on the day of the Concert.

NOTE: These are typical requirements. Exact requirements are dependent on the venue and will be decided by the **MARLBORO** advance team.

EXHIBIT B

SIGNAGE LIGHTING REQUIREMENTS

Following is a list of additional required lighting for the **MARLBORO** signage. All lamps must be fully dimmable and controlled from either the front of house console or another position with the approval of **MARLBORO Music's** Production Manager.

MARLBORO SCRIMS

Two 24'x24' scrims hang in front of the speaker stacks on either side of the stage. These should be lit with two 9 light Mole Richardson Mole Fays, with DWE lamps, per scrim.

Acceptable Substitutes:

Eight Light Thomas Moles (NO ACL's): Two per scrim
Four Cell 1K Far cys: Two per scrim

MARLBORO FLAGS

Six 2'x12' Red Flags hang on various parts of the stage and sound wings. These should be lit with one Par 64 1K MFL each.

Acceptable Substitutes:

8" 1K Fresnel with Barndoors: One per flag
Par 46 MFL lanterns: Two per flag

MARLBORO HEADER

A 40' header hangs across the down stage of the roof. It should be lit, from the floor, with two Bars of 4 Par 64 ACL's.

Acceptable Substitutes:

Two Bars of 6 Par 64 UNSP
Three Bars of 4 Par 36 ACL's